

Message Text

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PAGE 01 ALGIER 02364 091220Z
ACTION EB-08

INFO OCT-01 EUR-12 NEA-10 ISO-00 COME-00 FMC-01 STR-07
CIAE-00 DODE-00 DOTE-00 INR-10 NSAE-00 CG-00
DLOS-09 OES-09 XMB-02 /069 W
-----012179 100216Z /70

R 091142Z AUG 78
FM AMEMBASSY ALGIERS
TO SECSTATE WASHDC 8965
INFO AMEMBASSY ROME
AMCONSUL GENOA

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DEPT PASS MARAD, EXIMBANK, EB/TRA/MA

E.O. 11652: N/A
TAGS: EWWT, AG
SUBJECT: ALGERIAN INSURANCE PREMIUMS ON OVERAGE VESSELS

REF: STATE 197496

1. CAAR TELLS US THAT THERE IS INDEED A PREMIUM SURCHARGE ("SURPRIME") FOR INSURANCE FOR VESSELS AGED FIFTEEN YEARS OR MORE AND THAT SUCH A SURCHARGE HAS LONG BEEN IN EFFECT. CAAR SAYS THAT CNAN IS ALSO SUBJECT TO THE SURCHARGE.

2. WE DO NOT SEE HOW WE CAN MAKE A CASE OF DISCRIMINATION WITHOUT MORE TO GO ON THAN LYKES' SUSPICION THAT CNAN MAY BE EXEMPTED FROM THE SURCHARGE. WITHOUT EVIDENCE ON THIS POINT WE BELIEVE WE MUST ACCEPT CAAR'S ASSERTION AT FACE VALUE. IF DISCRIMINATION IS NOT INVOLVED OR CANNOT BE ESTABLISHED QUESTION OF COUNTERVAILING MEASURES AND/OR REVOCATION OF EXIMBANK WAIVERS WOULD SEEM MOOT.

3. WE WILL MAKE THE CASE THAT THE SURCHARGE IS UNREASON-
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ABLE WHEN APPLIED TO CLASS A-1 VESSELS EXEMPTED FROM OVERAGE SURCHARGES BY ALL OTHER UNDERWRITERS. BEFORE DOING SO, HOWEVER, WE WOULD LIKE TO KNOW THE AMOUNT OF THE SURCHARGES LYKES EXPECTS TO HAVE TO PAY. WE WOULD ALSO APPRECIATE KNOWING IF THE DEPARTMENT SHARES OUR VIEW THAT THE DISCRIMINATION QUESTION SHOULD NOT BE RAISED WITHOUT SOME EVIDENCE THAT OTHER LINES ARE BEING

EXEMPTED FROM THE SURCHARGE. TO QUESTION CAAR'S ASSERTION
THAT THE CHARGE APPLIES TO ALL LINES WOULD, IN OUR VIEW,
MAKE MORE DIFFICULT THE ALREADY DIFFICULT TASK OF CON-
VINING THEM THAT THE CHARGE IS UNREASONABLE WHEN APPLIED
TO A-1 VESSELS.SMITH

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NNN

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Decaption Note:
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Disposition Case Number: n/a
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Disposition Date: 20 Mar 2014
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